



## **Economic Empowerment for Underserved Communities Act**

**Purpose:** The purpose of this act is to (1) promote economic revitalization by ensuring underserved communities have access to capital; (2) respond to the unprecedented loss of minority-owned businesses as a result of the COVID-19 pandemic; and (3) further encourage long-term investments in low-income minority communities.

The bill includes the following components:

- **\$7 billion allocation to Community Development Financial Institutions (CDFI)**
  - Background: The CDFI Fund promotes economic revitalization and community development through investment in and assistance to Community Development Financial Institutions.
  - This bill provides additional funding for economic revitalization and community development through the distribution of grants and technical assistance for CDFIs.
- **Make the New Markets Tax Credit (NMTC) permanent**
  - Background: The NMTC Program incentivizes private capital investment into low-income communities by permitting individual and corporate investors to receive a federal tax credit in exchange for equity investments in specialized financial intermediaries called Community Development Entities (CDEs).
  - This bill reauthorizes the program at \$5 billion this year and adjust for inflation starting in 2021.
- **Establish Opportunity Zone field representatives**
  - This bill continues the Trump Administration's work with the Small Business Administration (SBA) by training Opportunity Zone representatives to serve as a point of contact for informing the public about Opportunity Zone financing.
  - These representatives will connect Opportunity Zone stakeholders to communities and their elected leaders in order to educate them on the mechanics of Opportunity Zones and encourage participation in the program.
- **Create an equity-based program within SBA's Small Business Investment Company (SBIC)**
  - Background: The SBA's SBIC program facilitates the flow of capital to small businesses, enhancing access to venture capital for businesses that often face barriers to obtaining financing.

- This bill includes language authored by Sen. Rubio creating a new equity-based program that incentivizes capital to go towards minority owned businesses and lower income areas.
- **Make the Minority Business Development Agency (MBDA) permanent and create the Assistant Secretary of Commerce for the Minority Business Development Agency**
  - Background: The Department of Commerce's MBDA is the lead federal agency dedicated to supporting the development and expansion of the minority business community. The agency was established through Executive Order 11458.
  - In addition to making the MBDA permanent, this bill continues to promote and administer minority business development programs in the public and private sectors.
  - This bill also carries out programs that increase access to capital, management, and technology for such businesses and provides statutory authority for the agency's existing initiatives.
- **Prioritize grant assistance through Health Resources and Services Administration (HRSA) for organizations located in an Opportunity Zone.**
  - Background: HRSA an agency of the U.S. Department of Health and Human Services, is the primary federal agency for improving health care access for people who are economically or medically vulnerable. Churches are eligible to receive grants to support the work they do in their communities, which aligns with President Trump's Platinum Plan call to give churches the ability to compete for federal resources for their community.
  - This bill stipulates that in reviewing HRSA grant applications, special consideration will be given to organizations that are either located in an opportunity zone or serve a community in an opportunity zone.
- **Extension of the SBA debt relief provision from the CARES Act Sec. 1112.**
  - Background: Under current law, SBA will pay six months of principal interest and any associated fees that borrowers owe for all current 7(a), 504, and Microloans in regular servicing status as well as new 7(a), 504, and Microloans disbursed prior to September 27, 2020. This relief is not available for Paycheck Protection Program loans or Economic Injury Disaster loans. Assistance will be automatically provided and borrowers do not need to apply to receive it.
  - This bill extends the amount of time SBA will make monthly payments to 12 months from the enactment of CARES.